

11 December 1975

NOTE FOR OLC / LLM

I have not read this yet, but in view of the short deadline (State wants our comments by 19 December), I think you should be working on this simultaneously with us. [ ] has been attending the interagency group meetings chaired by the Assistant Secretary of State for Administration, Jack Thomas. [ ] is our representative and has attended some meetings.) He tells me that in his opinion this is a bad paper making concessions that certain allowances should be taxable and making these only for tactical reasons, i.e., "We have to concede some points in order to win the principal ones." The proponent of this position is the Treasury representative whom Brad tells me is actually the originator of the proposal that section 912 be amended to make employee allowances abroad taxable. Apparently he has some personal philosophy on this, since Brad tells me that Secretary Simon has already written a letter saying that they should not be and this man wants to change his mind.

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Deputy General Counsel

Attachment